

**COMMENTS OF DOMINION RETAIL, INC. TO THE
COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY REGARDING
COMPETITIVE MARKET INITIATIVES**

Executive Summary

Dominion Retail's recommendations focus on the need for comprehensive disclosure by the state's utilities of customer information while protecting customers' rights of privacy and confidentiality, ease of customer enrollment procedures, the utility payment hierarchy, electronic communications tools, and the desirability of easing requirements for supplier disclosure of specific information. Implementation of these suggestions would do much to remove regulatory barriers to entry for generation suppliers like Dominion Retail.

Introduction

Dominion Retail, Inc. ("Dominion Retail") appreciates the opportunity to submit its comments on competitive market initiatives to the Commonwealth of Massachusetts Department of Telecommunications and Energy (DTE). We believe that the DTE is on the right track in fostering robust retail electricity choice programs in the Commonwealth. Further, Dominion Retail commends the Department for recognizing that certain obstacles and problems have been encountered along the way, and for inviting these comments as a means for addressing those problem areas.

Dominion Retail's experience as a competitive supplier of both electricity and natural gas to some 350,000 customers in Pennsylvania, Ohio, and Virginia, has provided us a wealth of knowledge and experience upon which to base these comments. We are convinced that implementation of our specific suggestions as discussed below will go far to providing a strong foundation for more active and competitive electricity choice programs in Massachusetts.

Specific Recommendations

1. Page 20, Lines 8-10 and Lines 19-24; Page 22, Lines 1-6 (Comments of Thomas J. May on Customer Information)

It is clear to Dominion Retail that in order for marketers to be able to cost-effectively enter a new retail market, they must have access to customer account information- - residential, commercial, and industrial. The best information available, preferably in electronic form, is from the utilities themselves. The utilities' customer lists are preferable to those derived from commercial services due to their lower cost, comprehensiveness, and accuracy. It is crucial that

marketers obtain, at a minimum, the following items electronically from the utilities in order to solicit, develop competitive sales proposals, and enroll customers:

- Customer name
- Address
- Utility account number (avoids enrollment mistakes)
- Rate class
- Default service or Standard Offer service
- Most recent consecutive 12 months' of usage, and if available, demand and metered interval data

In our view, the most successful approach we have seen to the customer information release is that followed in Pennsylvania, where utilities are permitted to inform their customers—for instance, by use of a postcard insert with the monthly bill—that certain customer account information will be provided to licensed suppliers who request it, unless the customers specifically provide a negative “check off” on the post-cards and return them to the host utility. If the customer “checks off”, his or her information will not be furnished to suppliers. This “check off” gives the customer the means to indicate that he/she does not

2. Page 27, Lines 5-14 (Comments of Cheryl A. LaFleur on “supplier proposed alternative approaches”)

Dominion Retail is opposed to the assignment of default service customers to suppliers on an “opt out” basis. In our view, this practice of transferring default service utility customers to competitive suppliers without the consent of either the customer or the supplier runs afoul of the bedrock principle underlying retail choice programs, namely, that customers voluntarily and consciously choose an alternative supplier. Dominion Retail has not encountered such a practice in any of the other jurisdictions in which it is currently providing retail electric choice. We strongly oppose it here. In Massachusetts, as elsewhere, we believe we can be successful by providing competitively-priced products and services to consumers who willingly choose Dominion as a supplier

3. Page 42, Lines 1-8 (Comments of Kerry Kuhlman on “third party mailings”)

We commend those actions of WMECO as a step in the right direction. We recommend that the utility contact all its default-service customers (and probably Standard-Offer customers as well) to notify them of potential supplier interest. Dominion Retail would be glad to work with WMECO and other utilities with suggestions on how this process could be best implemented.

4. Page 56, Lines 22-24 (Comments of Bob McLaren on supplier use of customer information)

We fully agree that such customer information should be used solely for the purpose of “evaluating and making competitive offers to customers.”

We do not believe that the utility or other third parties need to act as brokers or intermediaries in the customer contact process for suppliers, as some parties have offered to do, as long as suppliers are allowed the information needed to solicit customers.

5. Page 72, Lines 12-18 (Comments of Mr. Rothstein on “wet signatures”)

We agree with AES New Energy that an actual “wet” signature requirement for customer enrollment is an impediment to customer sign-ups, particularly for the mass market, residential segment. New Jersey has finally dropped its “wet” signature requirement following numerous complaints from marketers.

6. Page 72, Lines 15-23 (Comments of Mr. Rothstein on “payment hierarchy”)

Dominion Retail supports the LDC payment hierarchy of prior payment to the utility, then supplier, then utility current, then supplier current as being equitable considering the financial risks the marketer incurs.

7. Page 117, Line 8 (Comments of Mr. Rishe on “enhancements”)

Regarding data enhancements, Dominion Retail also supports use of the Internet, rather than VAN, for electronic communication with the utilities due to its lower cost features. Higher cost electronic tools only hurt both suppliers and consumers, particularly in the developmental stage of this retail market.

8. Additional Miscellaneous Comments of Dominion Retail, Inc.

While not specifically discussed by participants at the DTE Technical Conference, there are other regulatory issues that govern the restructuring of the electric industry that raise concern. We question whether requiring suppliers to disclose their fuel sources and emission characteristics facilitates development of the retail market, or does it constitute yet another time-consuming and costly obstacle to both suppliers and consumers?

Likewise, the requirement that suppliers disclose the labor characteristics of their resource portfolio raises issues of both relevance and additional obstacle/costs to suppliers and ultimately, to consumers.

In conclusion, Dominion Retail respectfully submits these comments and requests that the Department take them into consideration in addressing the issues raised in this proceeding.

Respectfully submitted,

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